

MOTION BY SUPERVISOR GLORIA MOLINA

July 13, 2004

On March 10, 2000, the Housing Authority of the County of Los Angeles entered into a Loan Agreement with the East Los Angeles Community Corporation (ELACC), for \$137,086 in Industry Funds, as permanent financing for a five-unit affordable housing development. The development, located at 121-123½ Chicago Street in the City of Los Angeles, is adjacent to the City of Los Angeles Police Department's (LAPD) Hollenbeck Station.

The Hollenbeck Station is expanding, and will include the ELACC's Chicago Street property. The LAPD has the authority to utilize eminent domain powers to acquire the site. In lieu of having the LAPD exercise these powers, ELACC has agreed upon a settlement that will allow it to acquire a different site and continue providing affordable housing in the community. ELACC proposes to acquire from the U.S. Department of Housing and Urban Development a vacant five-unit building, located at 1462 North Playground Street in the City of Los Angeles, and rehabilitate the structure so that it may be used for affordable housing.

ELACC requests that the Housing Authority transfer the current loan on the Chicago Street site to the Playground Street property. The terms and conditions of the original Loan Agreement, which was at three percent simple interest for 30 years, will apply, with the exception that the affordability term will be increased from 30 to 45 years. Tenants will be allowed to continue residing at the Chicago Street site while the

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Molina _____

Burke _____

Yaroslavsky _____

Antonovich _____

Knabe _____

Playground Street site is undergoing rehabilitation, and will have the option of moving to the new site once rehabilitation is completed.

This project is excluded from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations Part 58, Section 58.35 (a)(3)(ii) because it involves activities that will not alter existing environmental conditions. It is exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines 15301 because it involves negligible or no expansion of use beyond what currently exists and does not have the potential for causing a significant effect on the environment.

I, THEREFORE, MOVE that the Board of Commissioners of the Housing Authority:

1. Authorize the Executive Director of the Housing Authority to negotiate Amendment No. 1 to the Loan Agreement between the Housing Authority and ELACC to transfer a Housing Authority loan for permanent financing of 121-123½ Chicago Street, in the City of Los Angeles, in the amount of \$137,086 in Industry Funds, to 1462 North Playground Street, in the City of Los Angeles, which will continue to provide affordable housing for low-income tenants; and
2. Authorize the Executive Director to execute Amendment No. 1 to the Loan Agreement, and any related documents, to be effective following approval as to form by County Counsel and execution by all parties.